Growth rate of manufacturing sector in esxports

2564. SHRI SANJAY RAUT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the growth rate of imports has increased more than exports during the financial year 2005-06;

(b) if so, Government's response thereto and whether it is a fact that the manufacturing sector is slowly losing while the service sector is gaining ground in India;

(c) if so, the details thereof; and

(d) the details of steps taken by Government for improving growth rate of manufacturing sector in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) As per the provisional data of the Directorate General of Commercial Intelligence & Statistics (DGCI&S), for 2005-06 exports registered a growth rate of 25% while imports increased by 32% over the previous year.

(b) and (c) In the case of India, the higher growth of imports vis-a-vis exports, inter alia, indicates the growing demand for capital goods, raw materials and intermediates in the manufacturing sector and is therefore not a matter of concern for the Government at the moment. According to the advance estimates of the Central Statistics Organisation (CSO) for 2005-06 manufacturing sector growth is expected to be 9.4% whereas service sector growth is expected to be 9.8% against the overall growth of 8.1% for the economy. This reflects the growing share of both these sectors in GDP.

(d) Government has put in place various policies to improve the growth rate of manufacturing sector. These measures include delicensing of industrial capacity, liberalisation of the foreign trade regime to provide better access to inputs at competitive prices, rationalisation and reduction of taxes, etc. In addition, Industrial Infrastructural Upgradation Scheme (IIUS) has been launched to provide quality infrastructure in functional clusters to enhance international competitiveness of the manufacturing sector.